

## CONDOMINIUM PUBLIC REPORT

Prepared &  
Issued by:

Developer: GRADY A. DEAL and ROBERLEIGH DEAL  
Address: P.O. Box 279, Koloa, Hawaii 96756

Project Name (\*): DEAL'S CONDOMINIUM  
Address: 4685 KULI ROAD, KALAHEO, KAUAI, HAWAII 96741

Registration No. 4531  
(Partial Conversion)

Effective date: June 27, 2006  
Expiration date: Non-expiring pursuant to §514A-43(b), HRS

### Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

**Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.**

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

### Type of Report:

☐ **PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

☐ **FINAL:**  
(white) The developer has legally created a condominium and has filed complete information with the Commission.  
[ ] No prior reports have been issued.  
[ ] This report supersedes all prior public reports.  
[ ] This report must be read together with \_\_\_\_\_

☒ **SUPPLEMENTARY:**  
(pink) This report updates information contained in the:  
[ ] Preliminary Public Report dated: \_\_\_\_\_  
[X] Final Public Report dated: December 27, 2000  
[ ] Supplementary Public Report dated: \_\_\_\_\_

And [ ] Supersedes all prior public reports.  
[X] Must be read together with the Final Public Report dated December 27, 2000  
[ ] This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

☐ Required and attached to this report      ☒ Not Required - Disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☐ No prior reports have been issued by the developer.

☒ Changes made are as follows:

(Changes reflected on pages 1, 2, 5, 6, 14, 18, 19, 20, 21, Exhibit C, and Exhibit F)

1. A restriction previously limiting Unit B to building a maximum of two (2) bedrooms has been removed. Page 20 of the Public Report was amended to reflect the removal of the two (2) bedroom restriction; such restriction was previously noted on Page 20, Item 4.
2. A First Amendment to Declaration of Condominium Property Regime for Deal's Condominium was recorded in the Bureau of Conveyances of the State of Hawaii on April 28, 2006 as Document No. 2006-079432, to note the change in item 1 above.
3. Exhibit "C" to the Public Report was amended to reflect the current encumbrances set forth in the title report dated May 2, 2006.
4. Exhibit "F" has been revised to reflect the new Escrow Agreement by and between the Developer and Security Title Corporation. The new Escrow Agreement, dated April 25, 2006, supercedes the original Escrow Agreement dated November 9, 2000 which was filed with the Commission.
5. Page 5 reflects the new Escrow Company and attorney.

## I. PERSONS CONNECTED WITH THE PROJECT

Developer: GRADY A. DEAL and ROBERLEIGH DEAL Phone: (808) 332-9244  
Name\* (Business)

Business Address  
P.O. Box 279  
Koloa, Hawaii 96756

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker\*: BOB KEOWN, LTD, dba Phone: (808) 742-7561  
MAKAI PROPERTIES (Business)  
Name  
P.O. Box 905  
Business Address  
Koloa, Hawaii 96756

Escrow SECURITY TITLE CORPORATION Phone: (808) 245-6975  
Name (Business)  
4370 Kukui Grove Street #209  
Business Address  
Lihue, Kauai, Hawaii 96766

General Contractor\*: Unit A (House) GRADY A. DEAL – Self-Builder Phone: (808) 332-9244  
Name (Business)  
P.O. Box 279 Unit B (Shed) ROBERT MIKKELSEN  
Business Address P.O. Box 1374  
Koloa, Hawaii 96756  
Phone: (808) 742-6632

Condominium Managing Agent\*: Self-managed by the Association of Phone: N/A  
Name (Business)  
Apartment Owners  
Business Address  
\_\_\_\_\_

Attorney for Developer: MICHELLE S. MIYAKE Phone: (808) 634-2244  
Name (Business)  
4268 Kress Street, Suite J  
Business Address  
P.O. Box 3050, Lihue, Hawaii 96766-6050

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

## II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

☐ Proposed  
☒ Recorded - Bureau of Conveyances: Document No. 2000-128920  
Book \_\_\_\_\_ Page \_\_\_\_\_  
☐ Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to the Declaration of Condominium Property Regime for Deal's Condominium dated April 25, 2006, and recorded on April 28, 2006 as Document No. 2006-079432.

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☐ Proposed  
☒ Recorded - Bureau of Conveyances Condo Map No. 3162  
☐ Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: N/A

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☐ Proposed  
☒ Recorded - Bureau of Conveyances: Document No. 2000-128921  
Book \_\_\_\_\_ Page \_\_\_\_\_  
☐ Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: N/A

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them, as described in the Declaration, are:

☒ described in Exhibit A & B.

☐ as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

☐ described in Exhibit \_\_\_\_\_.

☒ as follows:

Apartment A – 50%

Apartment B – 50%

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated May 2, 2006 and issued by Security Title Corporation.

## V. MISCELLANEOUS

### A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- ☐ Notice to Owner Occupants
- ☒ Specimen Sales Contract  
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- ☒ Escrow Agreement dated April 25, 2006  
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- ☒ Other Specimen Apartment Deed

### B. Buyer's Right to Cancel Sales Contract:

#### 1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
  - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
  - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
  - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime, as amended.
  - C) Bylaws of the Association of Apartment Owners, as amended.
  - D) House Rules, if any.
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- Other: \_\_\_\_\_

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 4531 filed with the Real Estate Commission on November 21, 2000.

Reproduction of Report. When reproduced, this report must be on:

☐ YELLOW paper stock

☐ WHITE paper stock

☒ PINK paper stock

C. **Additional Information Not Covered Above**

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report. You should also conduct your own investigation and ascertain the validity of information provided.

**PURPOSES OF BUILDINGS AND RESTRICTIONS AS TO USE**

Each owner may make use of his apartment and the limited common area associated therewith as if permitted under the laws and ordinances under the State of Hawaii and County of Kauai, subject to the following restrictions:

1. The condominium interest created hereby is on agriculturally zoned land and, as such, is subject to all restrictions associated herewith. This is not residentially-zoned property and the Developer does not warrant that any residence will be permitted by the County of Kauai within any specific limited common element. Agricultural properties are subject to density requirements that may change. Any such change will affect the number of allowable units that may be placed on the underlying land.
2. Each apartment shall at all times be occupied and used only for agricultural uses, and where permitted private residential dwellings. No more than one family shall occupy an apartment. All construction shall conform to County ordinances. Any lease or rental agreement of the apartment shall provide that it shall be subject in all respect to the provisions of the Project documents and at the failure of the lessee or tenant to comply with the terms of these documents shall be a default under the lease or rental agreement.
3. No alteration or additional shall be made to any apartment and no addition shall be placed upon any limited common element appurtenant to any apartment if such alteration or additional would cause the floor area of such apartment to exceed fifty percent (50%) of the maximum allowable floor area for the Land permitted under the applicable zoning ordinances in effect when the alteration or addition is made.
4. (Item 4 left blank intentionally)
5. Unit A shall be limited to three (3) bedrooms as the same are defined by the ordinance of the County of Kauai and the Department of Health of the State of Hawaii.
6. In the event a residence should be constructed within the area delineated as Limited Common Element B, then the Department of Health of the State of Hawaii may require that a septic system be created for both units. If so, the system so created shall serve both units and be a common element of the project. Both Unit A and Unit B shall share equally in the cost of design, construction and maintenance of the septic system. If the State does not require a septic system to service both units, the Unit B shall bear the cost of compliance with the State and requirements.
7. It is expressly acknowledged that existing County of Kauai ordinances, rules and regulations permit a maximum of one (1) residence and one (1) guest house on the subject property. Apartment A shall have the right to have the residence. Apartment B shall have the guest house right. There is currently a County ordinance that allows the guest house to be changed to a full "additional dwelling unit" (ADU). The owner of Apartment B may convert the guest house right to an ADU at his sole cost and expense. Construction of the ADU is authorized pursuant to a specific ordinance that may or may not continue to be in effect in the future. Presently, this ordinance expires on December 31, 2006. No warranty or representation is made by the Developer as to the continued effectiveness of the ADU ordinance or the ability of any owner to construct an ADU on the property at any specific time in the future. Prior to any expiration of the ordinance, it will be necessary to obtain a building permit for the construction of an ADU to be assured that an ADU may be built on the Project.



- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

GRADY A. DEAL and ROBERLEIGH DEAL

Printed Name of Developer

By: Grady A Deal 5-26-06  
Duly Authorized Signatory\* Date

By: Roberleigh C Deal 5-26-06  
Duly Authorized Signatory\* Date

GRADY A. DEAL and ROBERLEIGH DEAL, Developers/Owners

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

## EXHIBIT C

### ENCUMBRANCES AGAISNT TITLE

1. Real Property Taxes. Check with County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. GRANT  
  
In Favor of: Citizens Utilities Company  
Dated: November 19, 1979  
Book: 14293  
Page: 764  
Purpose: A right-of-way and temporary easement for construction and maintenance of power and communication lines.
4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions as contained in:

### DECLARATION OF COVENANTS AND RESTRICTIONS

Dated: July 5, 1983  
Book: 17353  
Page: 262  
To which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c)

The foregoing declaration was amended by the following:

Dated	Book	Page
---	21382	185

5. GRANT  
  
In Favor of: Eric K. S. Yee and Alisa Michele F. Yee, husband and wife  
Dated: November 12, 1987  
Book: 21382  
Page: 178  
Purpose: Non-exclusive easement for utility purposes.

6. The terms and provisions, including the failure to comply with any covenants, conditions, restrictions, reservations or obligations of that certain FARM DWELLING AGREEMENT dated September 3, 1998, made by and between Grady Allen Deal and Roberleigh Claigh Deal and County of Kauai, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-147798, to which reference is hereby made.
7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain ROAD WIDENING RESERVE AGREEMENT dated November 12, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-178777, to which reference is hereby made.
8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "DEAL'S CONDOMINIUM":

Dated: August 11, 2000  
Document No. 2000-128920

Condominium Map No. 3162, as amended, to which reference is hereby made.

*The Project consists of two (2) apartments namely:*

<i>APARTMENT A</i>	<i>50% INTEREST</i>
<i>APARTMENT B</i>	<i>50% INTEREST</i>

9. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF "DEAL'S CONDOMINIUM"

Dated: August 11, 2000  
Document No. 2000-128921

## EXHIBIT F

### SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits that a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is SECURITY TITLE CORPORATION. Under the Escrow Agreement, these things will or may happen:

1. Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.
2. Escrow will arrange for purchasers to sign all necessary documents.
3. Purchaser funds may be disbursed upon closing of a sale when a) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel"; b) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and c) the apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.
4. Refunds to a purchaser may occur under the following situations:
  - a. If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel." The Receipt provides that purchasers may cancel the Sales Contract and purchaser if the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier;
  - b. The Developer and purchaser agree to terminate the Sales Contract; or
  - c. If the Developer exercises any right to cancel the transaction that it may have reserved.
5. The purchaser shall receive all public documents relating to the project; however, if a transaction is cancelled, the purchaser must return all documents.
6. Paragraph 11 of the Escrow Agreement states what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits placed into Escrow will be forfeited by purchaser and Escrow may release the funds to Developer.
7. The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted. If there are any conflicts between the terms of the Escrow Agreement and this Exhibit, the former shall control.

END OF EXHIBIT F